



Activity Review

North Carolina State Board of Certified Public Accountant Examiners

1101 Oberlin Road, Suite 104 • PO Box 12827 • Raleigh, NC 27605 • 919-733-4222 • No. 10-2006

CPE Compliance Reminder

Over the past several years, the Board has amended many of the rules pertaining to Continuing Professional Education (CPE) and some licensees appear to be unsure of the current CPE requirements.

21 NCAC 08G .0401(e) states that active CPAs must complete 40 CPE hours, computed in accordance with 21 NCAC 08G .0409 by December 31 of each year.

However, CPAs having certificate applications approved by the Board in April, May, or June must complete 30 CPE hours during the same calendar year; CPAs having certificate applications approved by the Board in July, August, or September must complete 20 CPE hours during the same calendar year; and CPAs having certificate applications approved by the Board in October, November, or December must complete 10 CPE hours during the same calendar year.

For a CPA to claim credit for a CPE course, the CPA must attend or complete the course; the course must meet the requirements set out in 21 NCAC 08G .0404(a) or (c); and the course must increase the professional competency of the CPA.

Although the Board registers CPE Sponsors, it does not approve individual CPE courses (except ethics courses) and it is up to the individual attending a course and desiring to claim CPE credit for the course to assess whether it increases his or her professional competency.

Because of differences in the education and experience of CPAs, a course may contribute to the professional competence of one CPA but not another.

Each CPA must therefore exercise judgment in selecting courses for which CPE credit is claimed and choose only those that contribute to his or her professional competence.

The Board maintains a list of sponsors which have agreed to conduct programs in accordance with the standards for CPE set forth in 21 NCAC 08G .0404.

Sponsors of CPE programs which are listed in good standing on the National Registry of CPE Sponsors maintained by NASBA are considered to be registered CPE sponsors with the Board.

A list of Board-registered CPE sponsors is available on the Board's web site, www.nccpaboard.gov.

21 NCAC 08G .0409(c) requires that active licensees complete at least eight hours of non-self-study CPE each year as part of the annual 40-hour CPE requirement.

A licensee is not required to take any self-study CPE, but is required to take at least eight hours of non-self-study CPE.

Non-self-study CPE includes group study courses, interactive group webcasts, completing a college course, instructing a CPE course, authoring a publication, and instructing a college course.

[Please see 21 NCAC 08G .0409 for the specific requirements regarding completing

a college course, instructing a CPE course, authoring a publication, or instructing a college course.]

Any combination of group study courses, completing a college course, instructing a CPE course, authoring a publication, and instructing a college course may be used to fulfill the requirement of at least eight hours of non-self-study CPE each year.

Because the requirement is an annual requirement, a licensee cannot use carry-forward CPE hours to satisfy the requirement—when CPE hours are used as carry-forward, they lose their self-study/non-self-study properties.

Licensees taking self-study courses to fulfill the Board's 40-hour CPE requirement should note that a self-study course is not considered complete until

CPE
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www.nccpaboard.gov

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Disciplinary Actions

William Marshall Faircloth, #7216
Faircloth, Chestnutt & Co., L.L.P.
Fayetteville, NC 09/18/2006

THIS CAUSE coming before the Board at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, at public hearing, with a quorum present, the Board finds, based on the evidence presented at the Hearing on September 18, 2006, that:

FINDINGS OF FACT

1. The parties have been properly identified.
2. The Board has jurisdiction over the Respondents and this matter.
3. Respondents received at least fifteen (15) days written Notice of Hearing of this Matter by personal service, certified mail, or other approved personal delivery.
4. Venue is proper and the Notice Hearing was properly held at 1101 Oberlin Road, Raleigh, North Carolina.
5. Respondents had no objection to any Board Member's participation in the Hearing of this Matter.
6. Respondent Faircloth, individually, and as a representative of Respondent firm, was present at the Hearing and was not represented by counsel.
7. Respondent Faircloth is the holder of a certificate as a Certified Public Accountant in North Carolina and Respondent firm is a licensed certified public accounting limited liability partnership in North Carolina and is therefore subject to the provisions of Chapter 93 of the North Carolina General Statutes (NCGS) and Title 21, Chapter 8 of the North Carolina Administrative Code (NCAC), including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.
8. In August of 2004, documents were filed with the North Carolina State Board of CPA Examiners (hereinafter the "Board") changing the firm name of "Chestnutt & Company, L.L.P." to "Faircloth, Chestnutt & Co., L.L.P." Respondent firm's ownership changed to

reflect that Respondent Faircloth owned 49% of Respondent firm and Amos Johnson Chestnutt owned 51% of Respondent firm.

9. From September 2003 through August 2005, Amos Johnson Chestnutt was the subject of a disciplinary investigation by the Board. In August of 2005, the Board permanently revoked the CPA certificate of Amos Johnson Chestnutt.

10. In a letter purportedly dated July 7, 2005, but not received by the Board until August 1, 2005, Respondent Faircloth informed the Board that, effective July 1, 2005, the ownership of Respondent firm had changed and that Respondent Faircloth owned 60% and a non-CPA owned 40% of Respondent firm.

11. In an e-mail dated August 8, 2005, Board staff informed Respondent Faircloth that applicable rules require that there must be two CPA owners for Respondent firm to use a firm name that includes "and Company," that the firm name could not include two names if it has only one CPA owner, and that, inasmuch as Faircloth was the only licensed owner, the partnership's name could not include any name other than Respondent Faircloth's name.

12. On August 19, 2005, the Board received documents from Respondent Faircloth informing the Board that, effective August 2, 2005, there were two CPA owners and one non-CPA owner in Respondent firm with Respondent Faircloth owning 59%, the non-CPA owning 40%, and Thomas J. Daniel, CPA, owning 1% of Respondent firm.

13. In October of 2005, Board staff informed Respondent Faircloth that, since the CPA license for Amos Johnson Chestnutt had been permanently revoked, the Respondent firm's continued use of "Chestnutt" in the firm's name was deceptive.

14. Despite numerous correspondences from the Board regarding use of "Chestnutt" in the firm name of Respondent firm, Respondent Faircloth has continued to offer services through Respondent firm.

15. The continued use by Respondent Faircloth and Respondent firm of "Chestnutt" in the name of Respondent firm's limited liability partnership was false and inherently deceptive in that (a) it falsely states that Chestnutt is a CPA when he is not, and (b) it falsely states that Chestnutt is a partner even though he is not permitted by rule to be an owner.

CONCLUSIONS OF LAW

1. Respondents' continued uses of "Chestnutt" in the firm name of Respondent firm are violations of NCGS 93-12(9) and 21 NCAC 8N.0103, .0201, .0202 and .0302. See, also, NCGS 93-4 (prohibiting partnerships from using the CPA title unless all partners are licensees).

BASED ON THE FOREGOING, the Board orders in a vote of 7 to 0 that:

1. Respondents, within thirty (30) days of this date, shall have removed "Chestnutt" from the firm name, and accordingly revised all signage, letterhead, business cards, directory listings, telephone answering, advertising, marketing materials, Internet information, e-mail, and similar communications, whether oral or written. In the case of printed directories, Respondents shall submit proof to the Board that Respondents have instructed, by certified mail, the publishers to remove "Chestnutt" from the firm name.

2. If Respondents fail to timely comply with the requirements of Paragraph 1 of this Order, the Certified Public Accountant certificate issued to Respondent, William M. Faircloth, is hereby suspended for at least thirty (30) days but no longer than five (5) years. After at least thirty (30) days, Respondent may apply for modification of this discipline upon filing a firm registration with the Board reflecting the removal of "Chestnutt's" name from the name of Respondent firm, thus allowing Respondent to apply for reissuance of his CPA certificate.

THIS CAUSE, coming before the Board at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to NCGS 150B-41, the Board and Respondent stipulate the following Findings:

1. Respondent was the holder of North Carolina certificate number 14547 as a Certified Public Accountant.

2. In July of 2005, Respondent requested that his North Carolina CPA certificate be placed on inactive status. Respondent nevertheless remained eligible for reinstatement under the Board's rules inasmuch as his certificate had not been revoked, and, additionally, because the conduct in question occurred during the time when Respondent was actively licensed.

3. Respondent signed on April 14, 2006, and the United States District Court for the District of New Jersey, Camden Vicinage (Court), approved and entered on July 7, 2006, a Consent Order of Permanent Injunction and Other Ancillary Relief Against Defendant J. Vernon Abernethy (Order) pursuant to Civil Action No.: 04CV 1512 in regarding the litigation entitled, "Commodity Futures Trading Commission, Plaintiff, vs. Equity Financial Group LLC, Tech Traders, Inc., Tech Traders, Ltd., Magnum Investments, Ltd., Vincent J. Firth, Robert W. Shimer, Coyt E. Murray and J. Vernon Abernethy, Defendants" Respondent consented to and the Court made the following "Findings of Fact:"

a. "Corporation A and Individual A engaged Abernethy as an allegedly independent certified public accountant ('CPA') to provide a monthly and quarterly performance number for the 'superfund' based on 'reviewed' and 'verified' trading results. Abernethy prepared monthly and quarterly reports showing that Corporation A enjoyed trading gains from at least June 2001 through February 2004, knowing that the reports were false and that such reports would be provided to prospective and actual participants whom Abernethy knew or should have known would rely upon not only the informa-

tion included, but also the fact that it had been reviewed and verified by an independent CPA."

b. "All of the participants in the 'superfund' did rely upon the monthly and quarterly performance numbers Abernethy provided in deciding to participate or continue to participate in the 'superfund.' In reliance on such monthly and quarterly performance numbers, at least 40 participants have lost at least \$5 million."

c. "Abernethy undertook a faulty agree-upon procedures engagement which was not consistent with professional standards, was not independent, did not review all the trading, did not take any steps to 'verify' anything, and reported materially inaccurate performance gains, despite possessing documents that disclosed huge trading losses."

d. "Abernethy also solicited at least 10 pool participants for Corporation A and Shasta Capital Associates, L.L.C. ('Shasta'), a commodity pool that invested in the 'superfund' without being registered to do so using the performance results from the reports he prepared. Abernethy knew that these same performance results were featured in solicitations by Corporation A, Individual A, Corporation F, the commodity pool operator that ran Shasta, and Individual B and C, the control persons of Corporation F. He also knew that these same performance results were false and that they were used to prepare statements sent to pool participants."

4. Based upon its "Findings of Fact," the Court made (and Respondent Consented to) the following "Conclusions of Law:"

a. "From at least June 2001 to April 2004, Abernethy employed devices, schemes or artifices to defraud clients or prospective clients, and engaged in transactions, practices or courses of business which operated as a fraud or deceit upon clients or prospective clients, in violation of Section 40(1) of the Act, 7 U.S.C. § 60(1)."

b. "During the relevant time period, Abernethy was associated with Corporation A and Corporation E as a partner, officer, employee, consultant, or agent (or in a similar status), in a capacity that

involved the solicitation of funds, securities or property for participation in Corporation A and Corporation E, in violation of Section 4, (2) of the Act, 7 U.S.C. § 6k(2) (2002)."

5. Pursuant to the Order, Respondent agreed not to practice before the Commodity Futures Trading Commission as an accountant for a period of ten (10) years following the entry of the Order, not to accept any engagement that involves the review or analysis of commodity pool statements, and not to accept any engagement that involves the analysis of futures or options statements. Respondent also agreed that he is jointly and severally liable for and a judgment was entered against Respondent in the amount of \$5,000,000.00 as restitution, and that he is liable for and a judgment is entered against him for a civil monetary penalty of \$300,000.00, plus post judgment interest.

6. Respondent wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Order with the Board *ex parte*, whether or not the Board accepts this Order as written.

BASED UPON THE FOREGOING, the Board makes the following Conclusions of Law:

1. Respondent is subject to the provisions of Chapter 93 of the North Carolina General Statutes (NCGS) and Title 21, Chapter 8 of the North Carolina Administrative Code (NCAC), including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.

2. Respondent's discipline as imposed in the Court's July 7, 2006, Order constitutes violations of NCGS 93-12 (9)d and (9)e and 21 NCAC 8N .0201, .0202 (b) (7) and (8), .0203, .0204 (a) and (b), .0402, and .0406.

BASED ON THE FOREGOING and in lieu of further proceedings under 21 NCAC Chapter 8C, the Board and Respondent agree to the following Order:

1. The Certified Public Accountant certificate issued to Respondent, Jack Vernon Abernethy, is hereby permanently revoked.

AICPA Practice Analysis

The AICPA Board of Examiners (BOE) has authorized a new practice analysis to update the content of the Uniform CPA Examination. The practice analysis will entail gathering data on the tasks performed in the workplace by newly certified CPAs, and determining what knowledge and skills are needed to perform them.

The collected data will be used to revise the Content Specification Outlines (CSOs) and the revised CSOs will, in turn, ensure that the content of the examination reflects current professional practice.

According to Lawrence Field, member of the BOE and Chair of the Practice Analysis Oversight Group (PAOG), "The new practice analysis is essential to the content integrity of the CPA Examination. Since the last practice analysis was conducted about five years ago, many changes have occurred in the CPA professional environment. The practice analysis will enable us to address these changes as they relate to the content of the Uniform CPA Examination."

In the next several months, a large number of CPAs will be asked to play a direct role in the practice analysis by completing surveys on the tasks performed, and the knowledge and skills needed by newly certified CPAs.

Their cooperation will be essential to the success of the practice analysis because survey results will determine what changes are made in examination content.

The impact of these changes will be felt throughout the profession as properly structured content in the CPA Examination will determine whether candidates are prepared to meet the challenges of the workplace.

Field says, "In order to ensure that the CPA Examination reflects current practice, we need the cooperation of individual CPAs and the support of the profession as a whole. Our attempt to update examination content in protection of public interest cannot succeed otherwise."

Please contact Joanne Lindstrom at jlindstrom@aicpa.org with questions about the new practice analysis.

Reclassifications

Reinstatements

09/18/06	Peter William Burroughs	#22939
09/18/06	Lori Renee Callaway	#22146
09/18/06	Jennifer Lynn Coats	#31017
09/18/06	Steven Talmadge Kirkman	#20322
09/18/06	Lisa L. Konevitch	#25762
09/18/06	David Lee McInturff	#4266
09/18/06	Sharon D. Robertson	#23214
09/18/06	Tracey Lee Rogers	#27860
09/18/06	Terence Blaney Stanaland	#20675

Reissuance

08/21/06	David Richard Herrman	#20929
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Inactive

"Inactive," when used to refer to the status of a person, describes one who has requested inactive status and been approved by the Board and who does not use the title "certified public accountant" nor does he or she allow anyone to refer to him or her as a "certified public accountant," and neither he nor she nor anyone else refers to him or her in any representation as described in 21 NCAC 08A .0308(b).

08/02/06	Whitney Miller Grant	Jacksonville, NC
08/02/06	Marriner Dail Hardison, Jr.	Wilson, NC
08/02/06	Ross Parrish Hostetter	Charleston, SC
08/02/06	Kathryn E. Kilcrease	Charlotte, NC
08/02/06	Richard P. McKenzie	Charlotte, NC
08/02/06	Karen Britt Nicely	Summit, NJ
08/02/06	Brent Loring Styles	Chicago, IL
08/02/06	Arthur W. Tollefson	New York, NY
08/02/06	Richard G. Wolfish	Burlington, VT
08/03/06	Willis Breedlove Shaw, Jr.	Goldsboro, NC
08/03/06	Norborne Gee Smith, Jr.	Goldsboro, NC
08/04/06	Michael Paul Abasciano	Medford, MA
08/04/06	Sharon Catherine Sluss	Suffolk, VA
08/07/06	Gene A. Ozgar	Charlotte, NC
08/10/06	Jody Ross Snyder	West Linn, OR
08/23/06	Paul David Harrison	Winston-Salem, NC
08/23/06	David Walden	Hickory, NC
08/29/06	James Allen Harrington	Black Mountain, NC
09/07/06	David Bryan Jordan	Vestavia Hills, AL
09/08/06	Woodrow Braxton Griffin	West End, NC
09/25/06	Kenneth Lee Frie	Sanford, NC
09/25/06	Alexandra Latham Yardley	Raleigh, NC
09/26/06	Robert Lee Crotts, Jr.	Raleigh, NC
09/28/06	Joseph J. Sobel	Gilbert, AZ

Disciplinary Actions

Todd Ellis Swanson, #23573
Greenville, SC 08/21/2006

THIS CAUSE coming before the Board at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, at public hearing, with a quorum present, the Board finds, based on the evidence presented at the hearing on August 21, 2006, that:

FINDINGS OF FACT

1. The parties have been properly identified; however, Respondent has claimed to be and is also known as "Todd-Ellis; Swanson."
2. The Board has jurisdiction over the Respondent and this matter.
3. Respondent received at least fifteen (15) days written Notice of Hearing of this Matter by personal service, certified mail, or other approved personal delivery.
4. Venue is proper and the Notice Hearing was properly held at 1101 Oberlin Road, Raleigh, North Carolina.
5. Respondent had no objection to any Board Member's participation in the Hearing of this Matter.
6. Respondent was not present at the Hearing and was not represented by counsel.
7. Respondent was the holder of a certificate as a Certified Public Accountant in North Carolina and is therefore subject to the provisions of Chapter 93 of the North Carolina General Statutes (NCGS) and Title 21, Chapter 8 of the North Carolina Administrative Code (NCAC), including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.
8. In November of 2004, the Board received a complaint from a representative of Chevy Chase Bank, F.S.B., regarding letters prepared and signed by Respondent in support of an unlawful mortgage debt elimination scheme.
9. In February of 2005, the Board received a complaint from a representative of Downey Savings and Loan Association, F.A., regarding letters prepared and signed by Respondent in support of

an unlawful mortgage debt elimination scheme.

10. These complaints were also filed with the South Carolina Board of Accountancy since Respondent is licensed in both jurisdictions; however, Respondent lives and works in South Carolina.

11. Pursuant to a hearing before the South Carolina State Board of Accountancy on October 27, 2005, the South Carolina State Board of Accountancy entered a Final Order (Attachment 1) which was signed and issued on December 30, 2005, in the matter of Todd Ellis Swanson, CPA, a/k/a Todd-Ellis; Swanson, CPA, License #4808.

12. The South Carolina State Board of Accountancy, based upon a preponderance of the evidence on the whole record, determined the Findings of Fact as listed in the Final Order pages 1-3, numbers 1-10.

13. The South Carolina State Board of Accountancy, based upon careful consideration, determined the Conclusions of Law as listed in the Final Order pages 3-5, number 1-8.

14. In the Final Order, the South Carolina State Board of Accountancy revoked Respondent's South Carolina certificate and ordered that Respondent could not apply for the issuance of a new South Carolina certificate for a period of not less than three (3) years.

CONCLUSIONS OF LAW

1. Respondent's conduct which resulted in the revocation of his South Carolina certificate, and the revocation itself, and Respondent's preparation and distribution of an opinion letter that is inconsistent with generally accepted accounting principles and that could be misinterpreted by or mislead the reader are violations of NCGS 93-12(9)d and e, and 21 NCAC 8N .0201, .0202, .0203, .0207, .0210, .0212, .0301(a), .0303, and .0305.

BASED ON THE FOREGOING, the Board orders in a vote of 7 to 0 that:

1. The Certified Public Accountant certificate issued to Respondent, Todd Ellis Swanson, is hereby permanently revoked.

Edgar Thomas Batson, #14282
Greensboro, NC 07/13/2006

Daniel Ray Fowler, #28105
Charlotte, NC 08/21/2006

Martha H. Newsom, #20621
Charlotte, NC 08/21/2006

Walter A. Skorski, #28652
Chapel Hill, NC 07/13/2006

THIS CAUSE coming before the Board on July 13, 2006, at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present, the Board finds, based on the clear and convincing evidence presented, that:

FINDINGS OF FACT

1. Respondent is the holder of a certificate as a Certified Public Accountant in North Carolina and is therefore subject to the provisions of Chapter 93 of the North Carolina General Statutes (NCGS) and Title 21, Chapter 8 of the North Carolina Administrative Code (NCAC), including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.
2. Respondent failed to timely file the annual firm registration in accordance with provisions as required by NCGS 93-12(7b) and 21 NCAC 08J .0108(b).
3. Respondent subsequently filed the annual firm registration with the Board in excess of 60 days but not more than 120 days from the annual firm registration.

CONCLUSIONS OF LAW

1. Respondent's failure to timely file the annual firm registration prior to the prescribed filing date is a violation of NCGS 93-12(7b) and 21 NCAC 08J .0108(b).

BASED ON THE FOREGOING, the Board orders that:

1. Respondent shall pay a one hundred dollar (\$100.00) civil penalty.
2. Respondent's certificate shall be placed on conditional status for one year from the date this Order is approved.

CPE continued from front

the CPE sponsor issues a Certificate of Completion.

The date the Board will accept for CPE credit is the Certificate of Completion date, not the date the course was completed or the date the completed course was mailed to or received by the sponsor.

Individuals who complete self-study courses late in the year sometimes cannot claim CPE credit for that calendar year because the CPE sponsor issues the Certificate of Completion in the next calendar year.

It is strongly suggested that licensees who plan to use self-study courses to fulfill the CPE requirement complete the courses and mail them to the sponsor as soon as possible. It is also suggested that the licensee advise the sponsor to date the Certificate of Completion for 2006.

Please note that CPAs cannot claim reading accounting journals, periodicals, reference guides, or related materials and taking a test designed to assess reading comprehension as credit for CPE.

21 NCAC 08G .0410, *Professional Ethics and Conduct CPE*, requires that as part of the annual CPE requirement, all active CPAs must complete either a two hour group-study course or a four hour self-study course on professional ethics and conduct as set out in 21 NCAC 08N.

Only those courses which have been approved by the Board 21 NCAC 08G .0400 and that are offered by Board-registered CPE sponsors or sponsors listed on the National Registry of CPE Sponsors maintained by NASBA can be used to fulfill the ethics CPE requirement.

A non-resident licensee may satisfy this requirement by completing the ethics requirements in the jurisdiction in which he or she resides.

If there is no ethics CPE requirement in the jurisdiction where a non-resident licensee currently resides, he or she must complete one of the Board's approved ethics CPE courses.

A complete list of Board-approved ethics CPE courses is available on the Board's website, www.nccpaboard.gov.

If a CPA fails to complete the CPE requirements prior to the end of the previous calendar year, but the CPA has completed them by June 30, the Board may change the CPA's status from active to conditional and require the payment of a civil penalty of one hundred dollars (\$100.00) for the first such failure within a five calendar year period; place the CPA on conditional status again and require the payment of a civil penalty of two hundred fifty dollars (\$250.00) for the second such failure within a five calendar year period; and deny the renewal of the CPA's certificate for a period of not less than 30 days and until the CPA meets the reinstatement requirements set forth in 21 NCAC 08J .0106 for the third such

failure within a five calendar year period.

If you have questions about CPE, please contact Lisa Moy by telephone at (919) 733-1423 or by e-mail at lmoy@nccpaboard.gov.

Board Meetings

November 20

December 18

Agendas for these meetings will be posted on the Board's web site, www.nccpaboard.gov, approximately one week prior to the date of the meeting.

Certificates Issued

At its September 18, 2006, meeting, the Board approved the following applications for licensure:

Sharon Leah Anderson
Hekmat M. Barahmeh
Matthew Barr
Shannon V. Becker
William Stephen Boyd
Kimberly Therese Chambers
Jayme Shoop Clanton
Timothy David Clark
Christine Elizabeth Collum
Leslie Anne Coolidge
Clyde A. Cornett, Jr.
Timothy Brian Gertz
Thiru Govender
Benjamin Forsythe Gray
Dana Marie Harrington
Brennan Michael Hay
David Alan Hedges
Charles E. Holland
Brian Matthew Hydrick
Britta Gail Johnson
Jama Tracy Johnston
Caroline M. King
Valerie Holt Leary
David Lee Little
Carolyn Barr Llewellyn

Qiulian Liu Lubinski
Lonnie J. Masdon
Joshua Scott Mayor
Carol Land McCrary
Jeremy Randal Midkiff
Paulinus Chinedu Nwachukwu
Robert M. Phillips
Justin Tyler Poore
Mary Elizabeth Powell
Gregory S. Price
Craig B. Puno
Jennifer Lee Quigley
Jeannette Ann Ray
Jessica Reyes
Sarah Beth Sink
Maria Kostaris Stephenson
Joshua T. Sullivan
Lei Tao
Kelly Gerard Taylor
Alexander Voloshko
Catherine Wallace
James Warren Wallace
James Jake Wiley
James Thomas Workman
Xiaoyan Zhang

Uniform CPA Examination Information

Testing of New Pronouncements: A Policy Update

New Auditing Standards

Statements on Auditing Standards No. 104-111 (SAS 104-111), collectively known as “risk assessment standards,” were approved by the Auditing Standards Board of the AICPA in March 2006.

These standards are effective for audits of financial statements for periods beginning on or after December 15, 2006. Early application is permitted.

The AICPA Board of Examiners (BOE) has decided that the new risk assessment standards will NOT be eligible to be tested on the Uniform CPA Examination until the July / August 2007 testing window.

SAS 104-111 reflect a significant change in the professional standards and the requirements for conducting an audit. As an exception to current policy, the new risk assessment standards will not be tested concurrently with existing standards.

This policy exception applies only to the Auditing and Attestation (AUD) examination section as it relates to SAS 104-111.

All Other New Pronouncements

The current policy remains in effect for all other new pronouncements. This policy states that new pronouncements are eligible to be tested on the Uniform CPA Examination in the testing window beginning six months after a pronouncement’s effective date, unless early application is permitted. When early application is permitted, the pronouncement is eligible to be tested in the window beginning six months after the issuance date. In this case, both the old and new pronouncements may be tested until the old pronouncement is superseded.

For the federal taxation area, the Internal Revenue Code and federal tax regulations in effect six months before

the beginning of the current window may be tested.

For all other subjects covered in the Regulation (REG) and Business Environment and Concepts (BEC) sections, materials eligible to be tested include federal laws in the window beginning six months after their effective date, and uniform acts in the window beginning one year after their adoption by a simple majority of the jurisdictions.



Transfer to Answer Instructions

The AICPA Examinations Team has added step-by-step “Transfer to Answer” instructions with illustrations to the AICPA’s Exam web site, www.cpa-exam.org.

The instructions and illustrations explain how a candidate must “split” the screen in order to complete the simulation research tasks.

Any candidate with an open NTS should receive an e-mail with the “Transfer to Answer” instructions and illustrations.

All Exam candidates are encouraged to review the “Transfer to Answer” instructions and illustrations and the sample tests and tutorial prior to taking the Exam.

Need a Form?

Did you know that the Board has most of its forms on its web site, www.nccpaboard.gov?

Here’s a sample of the forms available on the web site:

- Exam Applications
- Notice of Intent to Practice
- Application for Original CPA Certificate
- Application for Reciprocal CPA Certificate
- Application for Inactive/Retired Status
- Experience Affidavits
- Moral Character Certificates

Board Office Closed

The Board office will be closed on the following dates:

Friday, November 10
Veterans Day

Thursday, November 22
Friday, November 23
Thanksgiving

Firm Renewals

The Board is putting the final touches on its on-line firm renewal process and anticipates that the process will be up and running in early November.

All firms registered with the Board will receive a letter explaining the on-line firm renewal process and the procedure for renewing on-line.

Additional information regarding firm renewal will be available in the November issue of the *Activity Review* and on the Board’s web site, www.nccpaboard.gov.

Address Changes

All North Carolina CPAs and CPA firms must notify the Board, in writing, within 30 days of any change of address (employer, home/business address, home/business phone number, e-mail address, etc. [21 NCAC 08J .0107]).

In addition, all Exam candidates should notify the Board of any change of address.

A “Notice of Address Change” form is printed on the back cover of the *Activity Review*.

An address change form is also available on the Board’s web site, www.nccpaboard.gov.

Address changes may be mailed, faxed, or e-mailed to the Board.

Fax your address changes to (919) 733-4209.

E-mail your address changes to vanessia@nccpaboard.gov.



State Board of CPA Examiners

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